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C O N F I D E N T I A L SAN SALVADOR 001045

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [ES](#)
SUBJECT: ARENA: EL SALVADOR'S RIGHT FACES UNCERTAIN
POLITICAL FUTURE

REF: A. 2007 SAN SALVADOR 01623
[1](#)B. 2007 SAN SALVADOR 01764
[1](#)C. 2008 SAN SALVADOR 00750

Classified By: The Ambassador, for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: The Nationalist Republican Alliance Party (ARENA), the dominant Salvadoran political party, has evolved from its hard right origins and positioned itself as the standard bearer for pro-business policies, middle class values, and law and order. Since the 1992 signing of the Peace Accords, ARENA has consistently stressed free-market economics, strong ties with the U.S., and, in recent years, efforts to reduce El Salvador's spiraling rates of violent crime. These efforts notwithstanding, ARENA's image has suffered of late. Public perception of the party as an exclusive political club of insiders, coupled with unsubstantiated allegations of high-level corruption and the global spike in food and fuel prices, have contributed to ARENA's current deficit at the polls and left the party scrambling for a viable strategy to hold on to power. Part of the scrambling includes populist initiatives, such as subsidies, price controls, and welfare handouts. End Summary.

Party Origins: Forged in War

[1](#)2. (SBU) ARENA was founded on September 30, 1981, by Roberto D'Aubuisson and other hardline anti-communists, including members of the military. D'Aubuisson was a controversial figure, widely assumed to have been linked to wartime "death squads," which were purported to have murdered civilians prior to and during El Salvador's civil war (Note: Both the left and right ran death squads during the conflict. End Note). They formed ARENA in order to oppose the Revolutionary Government Junta (JRG) government, which ruled El Salvador from 1979-1982, amidst the civil war. They were particularly incensed at the Junta land reform program. This stance gave them the instant support of the land-owning oligarchy, which traditionally held a monopoly on power in El Salvador. From the outset, ARENA pledged to eradicate communism, making the party a natural enemy of the Farabundo Marti Liberation Front (FMLN), the left-wing guerilla insurgency, which waged war on the Salvadoran state from the late 1970,s until 1992.

Growth of Support: From the Elite to the Mainstream

[1](#)3. (SBU) ARENA has held the Salvadoran presidency since 1989, but the party's public support has fluctuated during that time. The initial base of support for ARENA was the landed oligarchy, the rural farming community, conservative segments of the Catholic Church, and the military. With D'Aubuisson as its first presidential candidate, this base was sufficient for ARENA to seriously challenge for the presidency in 1984. However, D'Aubuisson ultimately fell short, losing to Jose

Napoleon Duarte of the Christian Democratic Party (PDC). While ARENA had gained popularity, many blame public trepidation surrounding the polarizing nature of D,Aubuisson for the election loss.

14. (SBU) Leading up to the 1989 presidential election, ARENA increasingly began to garner the support of business groups. This, combined with the deteriorating reputation of the PDC, led to ARENA victories, first in the Legislative Assembly elections in 1988, and then in Alfredo Cristiani's 1989 presidential campaign. The Cristiani administration (1989-94) focused immediately on bringing an end to the civil war, and succeeded in negotiating a peace agreement in 1992. Cristiani's presidency also concentrated on improving the nation's economy, and the successes of the administration continued to bolster popular support.

Modernizing the Economy and Strengthening U.S. Relations

15. (SBU) The 1994 elections marked the transition from a focus on conflict to one of rebuilding. ARENA candidate and former San Salvador mayor Armando Calderon Sol won the 1994 presidential race, and ARENA also maintained a working majority in the Legislative Assembly. The Calderon Sol administration (1994-99) concentrated efforts on post-war reconstruction: modernizing the Salvadoran economy and facilitating international investment and globalization. To this end, Calderon Sol supported privatization of public services and pensions, and also initiated a program to attract foreign direct investment by reducing import tariffs and fixing the exchange rate of the colon to the U.S. dollar.

ARENA broadened its appeal to include entrepreneurs and commercial classes, which expanded the party's support base and led to a victory in the subsequent presidential race.

16. (SBU) The Francisco Guillermo Flores Perez administration focused on further modernizing the Salvadoran economy during its 1999-2004 term. El Salvador officially dollarized its economy in early 2001, and the Flores administration played a central role in successful negotiations for the Central American Free Trade Agreement (CAFTA-DR). Flores also strengthened bilateral ties with the United States. El Salvador committed troops to the reconstruction effort in Iraq, and pledged to combat international terrorism. Flores' policy decisions were controversial, and the left-wing opposition party, the Farabundo Marti Liberation Front (FMLN), took advantage of the opportunity to make significant gains in the 2003 legislative and municipal elections.

17. (SBU) Despite the apparent inroads made by the FMLN, the ARENA candidate for the 2003 presidential election, Elias Antonio "Tony" Sacas, soundly defeated his opposition, legendary former guerilla leader and FMLN candidate Schafik Handal. Sacas received 57.7 percent of the vote, with a 67 percent voter turnout. During the campaign, Sacas was criticized for his lack of political experience. However, his prominent background as a sports announcer and corresponding popular public persona may have been a decisive factor in his successful bid for the presidency.

18. (SBU) The Sacas administration has continued to stress free-market politics and U.S. ties, along with the principal ARENA tenets of property rights and anti-communism. ARENA has remained extremely pro-U.S.; the Salvadoran presence in Iraq since 2003, still unpopular with Salvadoran voters, is a product of the Sacas administration and ARENA legislative support (with the backing of the PDC and the National Conciliation Party (PCN)). In addition, Sacas has taken a strong stance against crime, introducing controversial policies to crack down on rampant gang activity in El Salvador. ARENA as a whole has attempted to shape itself as the party of law and order.

Party Structure: The Seat of Power

¶9. (SBU) ARENA is led by its National Executive Council (COENA), comprised of thirteen members. COENA controls the party platform, and as such, represents the true seat of power in ARENA. President Saca has exerted more power over COENA than past leaders. The current lineup is: President Rodrigo Avila, Vice President of Ideology Ricardo Martinez, Vice President of Organization Gerardo Suvillaga, Vice President of Campaigns Cesar Funes, Executive Director Luis Mario Rodriguez, Director of Acts and Agreements Oscar Santamaria, Director of Legal and Electoral Affairs Silvia Aguilar, Director of Communication and Transportation Mariano Turcios, Director of Economic and Social Affairs Elias Bahaia, Director of Affiliation and Statistics Eduardo Lemus O'Byrne, Director of Information Mauricio Suvillaga, Director of Political Affairs Guillermo Gallegos, and Director of Municipal Affairs Milagro Navas.

Current Outlook: Growing Pains

¶10. (C) Despite having ushered in measurable and observable economic growth and prosperity, the public image of ARENA has suffered. ARENA has attempted to broaden the impact of economic growth, but the middle class, which benefits overall, now feels squeezed by higher food and fuel prices. The good news is that many more Salvadorans own cars; the bad news is that more voters are now complaining about what it costs to fill the gas tank.

¶11. (C) From its inception, ARENA inherited the legacy of the traditional landed oligarchs, and, despite a notable movement towards inclusiveness, the party has never fully shaken the image that it is first and foremost the political vehicle of the Salvadoran monied elite. Particularly in the wake of lingering allegations of corruption within the Saca inner circle (see Ref A and Ref B), there is a widespread perception that ARENA is an insider's club. ARENA fights this perception by announcing and carrying out populist programs of subsidies, price controls and welfare handouts, thoroughly inconsistent with its proclaimed free-market orientation.

¶12. (C) ARENA's law and order programs, such as the "Mano Dura" and "Super Mano Dura" (Iron Fist and Super Iron Fist, respectively) crackdowns on street gangs, have met with

limited initial success but yielded few long-term improvements in overall levels of violent crime. Attempts to strengthen law enforcement, as well as a clash with anti-privatization protestors in the village of Suchitoto, have drawn the ire of Salvadoran and U.S. non-governmental organizations. Despite NGO allegations to the contrary, however, there has been no credible evidence linking the ARENA party to any human rights violations since the signing of the 1992 peace accords.

2009 Election Landscape

¶13. (C) In keeping with its focus on law and order, ARENA chose Rodrigo Avila as its candidate for the March 2009 presidential elections. Avila, a young technocrat with strong ties to the Salvadoran business community, served two terms as Director of the National Civilian Police (PNC) as well as Vice Minister of Public Security and Justice. In addition to cashing in on Avila's "law and order" credentials, his campaign has also promised a more inclusive ARENA that will pursue "a more just and equitable" El Salvador. The party has tried to insert fresh faces into COENA to combat its image troubles, but is still struggling to convince the public that it offers something other than a continuation of Saca's current policies and legacy. FMLN candidate Mauricio Funes, a well-known former political talk show host, has positioned himself as the "candidate of

change" (see Ref C). Recent polling data, although somewhat inconsistent, seem to indicate that Funes holds a significant, though narrowing, lead over Avila.

Comment

¶14. (C) The most significant tactical problems facing ARENA in the upcoming elections are public perceptions of insularity and arrogance, as well as some still unsubstantiated allegations of corruption amongst Saca insiders. ARENA also has the bad luck of being the incumbent party during a period of skyrocketing food and fuel prices, over which it has little control. Meanwhile, the FMLN imports subsidized diesel fuel from Hugo Chavez, undercutting the mainstream retail fuel market and winning hearts and minds.

¶15. (C) Over the long haul, ARENA must also come up with a strategy for convincing Salvadoran voters that they deserve to maintain their near 20-year grip on political power. Strong identification with the USG can be part of that strategy; Funes and Avila have both visited the USA and sought campaign donations from the Salvadoran-American community. Although centrist and undecided Salvadoran voters have historically proven reluctant to back the FMLN at crunch time, ARENA's uneven results in terms of broadening the effects of economic growth and tackling soaring crime rates may well convince a significant percentage of the electorate to vote for the opposition. It is difficult for any single political entity to maintain control for nearly two decades without eventually suffering image fatigue, regardless of their record. ARENA, as currently structured, appears more vulnerable at the ballot box than at any previous time in its history.
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